

**Bureau of Near Eastern Affairs** 

**US Department of State** 

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## **Table of Contents**



This report provides weekly updates in the seven key areas identified as pillars of US government policy in Iraq.

SECTION	SLIDE
<u>Highlights</u>	3
1.0 Transition to Security Self-Reliance	5
2.0 Support a Free and Democratic Iraq	7
3.0 Provide Essential Services	11
4.0 Establish Foundation for a Strong Econom	<u>y</u> 17
5.0 Promote the Rule of Law	26
6.0 Maintain International Engagement & Supp	<u>ort</u> 28
7.0 Promote Strategic Communications	30
Sources and Contact Information	32

# **Highlights**



#### 1.0 Transition to Security Self-Reliance

 The Iraqi Police Service graduated 238 police officers from advanced and specialty courses at the Adnan Training Facility July 28 as part of the Iraqi government's ongoing effort to train its security forces.

#### 2.0 Support a Free and Democratic Iraq

UN Representative for Iraq, Ashraf Qazi, released a statement on August 4
calling public participation in the constitutional drafting process "exemplary" and
applauding the efforts of civil society groups and the Drafting Committee.

#### 3.0 Provide Essential Services

 The Ministry of Health (MoH) recently completed the second round of a national polio campaign and vaccinated all children under five years of age with an oral polio vaccine.

#### 4.0 Establish Foundation for a Strong Economy

• The Iraqi government's Iraqi Strategic Review Board (ISRB) approved measures to extend full membership to the United Nations, World Bank, and two donors (on a rotating basis and as consultative members until the law is revised). ISRB also agreed to automatically approve any project submitted and not otherwise acted on within two weeks of submission. In addition, ISRB also approved four new projects funded by the UN, DFID, and South Korea's aid agency.

# **Highlights**



#### 5.0 Promote the Rule of Law

• The family of ousted Iraqi dictator Saddam Hussein said August 8, it had fired members of his foreign defense team and would deal only with his Iraqi lawyer.

#### 6.0 Maintain International Engagement and Support

 An affirmative Security Council vote on the necessary resolution to extend the mandate of the UN Mission in Iraq is expected on August 11.

#### 7.0 Promote Strategic Communications

 Iraqi female activists have started a political and information campaign called "More Than One Source." The campaign was announced in a press conference in Washington, D.C. The women believe that Islam should be considered as one source of the constitution, but not the main source and want to retain their 25 percent quota the Transitional National Assembly (TNA).

## [1.0] Transition to Security Self-Reliance – Update



#### <u>Iraqi Police Graduate 238 from Advanced Training Courses:</u>

 The Iraqi Police Service graduated 238 police officers from advanced and specialty courses at the Adnan Training Facility July 28. The courses included Basic Criminal Investigations, Critical Incident Management, Violent Crime Investigation, Executive Leadership, Mid-Level Management, Advanced Criminal Investigation, Criminal Intelligence, and Interview and Interrogation.

#### IAEA Pledges Monitoring Equipment for Iraq:

At meetings in early August, the International Atomic Energy Agency (IAEA) committed to equip one border post in Iraq in 2005 with equipment to detect radioactive sources and nuclear material. The Iraq Radioactive Regulatory Source Authority (IRSRA) intends to field this equipment at a post on the Syrian border. U.S. Department of Energy will facilitate IAEA procurement of the equipment. The IAEA said it would be willing to discuss equipping two more border posts in 2006.

## [1.0] Transition to Security Self-Reliance – Iraqi Security Forces



#### **Ministry of Interior Forces**

COMPONENT	TRAINED & EQUIPPED
POLICE	66 700
HIGHWAY PATROL	~ 66,700
OTHER MOI FORCES	~ 31,800
TOTAL	~ 98,500*

#### **Ministry of Defense Forces**

COMPONENT	OPERATIONAL
ARMY	~ 78,800
AIR FORCE	~ 200
NAVY	~ 700
TOTAL	~ 79,700**

# **Total Trained & Equipped ISF:**

~ 178,200

- \* Ministry of Interior Forces: Unauthorized absences personnel are not included in these numbers
- \*\* Ministry of Defense Forces: Unauthorized absences personnel are not included in these numbers

## [2.0] Support a Free and Democratic Iraq – Developments



#### **Constitution Update**:

 The Transitional National Assembly (TNA), the TNA Constitution Drafting Committee, and Iraqi political leaders are holding meetings this week to discuss disputed issues of the draft constitution. Monday, August 15, is the Transitional Administrative Law deadline for the TNA to prepare a draft constitution.

#### <u>Public Participation in Constitution Drafting Process</u>:

UN Representative for Iraq, Ashraf Qazi, released a statement on August 4 calling public participation in the constitutional drafting process "exemplary" and applauding the efforts of civil society groups and the Drafting Committee. The UN will continue its public outreach efforts past August 15 to prepare for the planned October 15 referendum on the Constitution.

#### <u>Legislative Drafting Training for Transitional National Assembly (TNA) Members:</u>

 USAID representatives conducted a seminar on legislative drafting for 22 members of the TNA. The co-presidents of Boston University's International Consortium for Law and Development were present to discuss using legislation as a tool for solving social, economic and political problems and for changing the behavior of individuals or institutions.

#### [2.0] Support a Free and Democratic Iraq – Developments

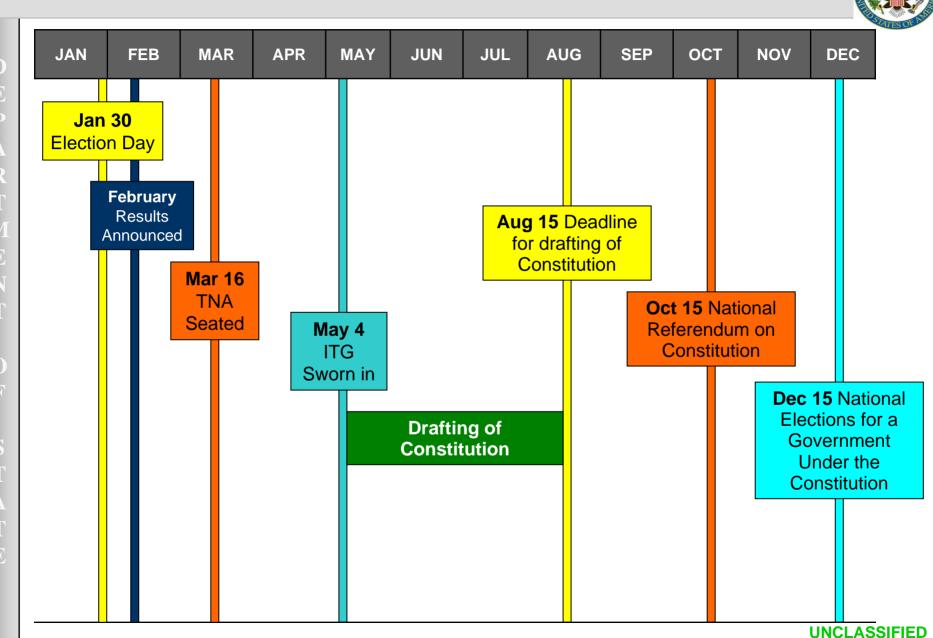


#### **Continuing TNA Responsibilities:**

- Serve as Iraq's national legislature until the election of a new government under a permanent constitution.
- According to the Transitional Administrative Law, the TNA is to draft Iraq's new Constitution by August 15, 2005; this will be presented to the Iraqi people for their approval in a national referendum by October 15, 2005.
- If it is approved, an election for a permanent Iraqi government under that new Constitution will occur by the end of 2005.

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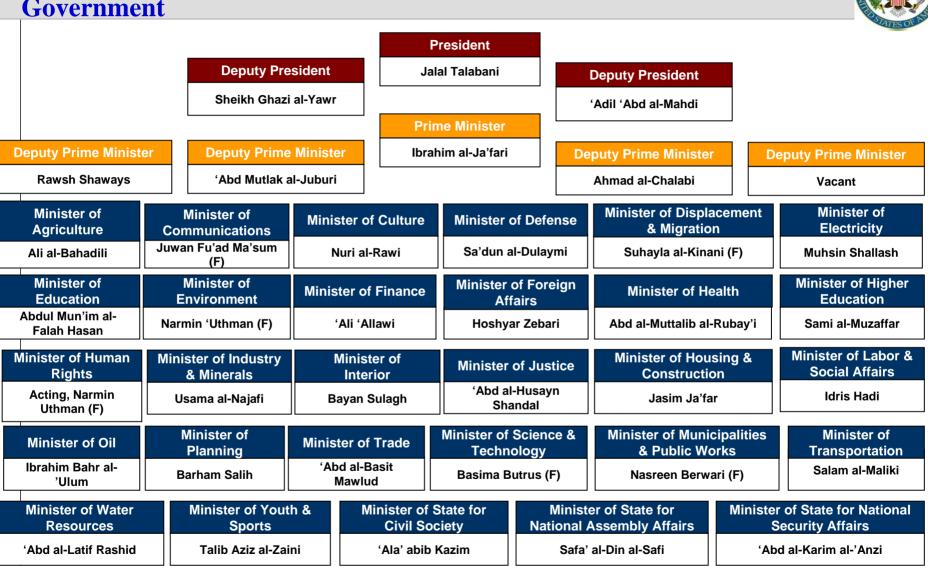
## [2.0] Support a Free and Democratic Iraq – Electoral Process Timeline



## [2.0] Support a Free and Democratic Iraq - Iraqi Transitional



#### Government



Minister of State for **Provinces** 

Sa'd al-Hardan

Minister of State for **Tourism and Antiquities** Hashim al-Hashimi

Minister of State for Women's Affairs Azhar al-Shaykhli (F)

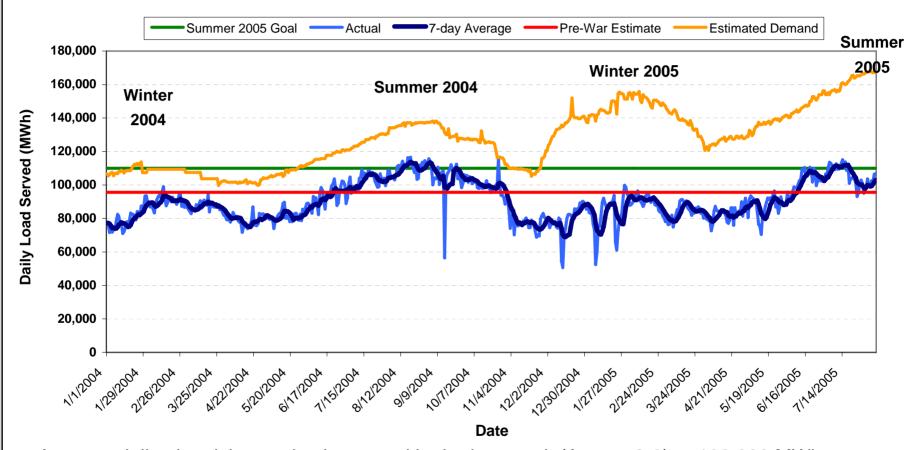
(F) = Female

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### [3.0] Provide Essential Services – Electricity Overview

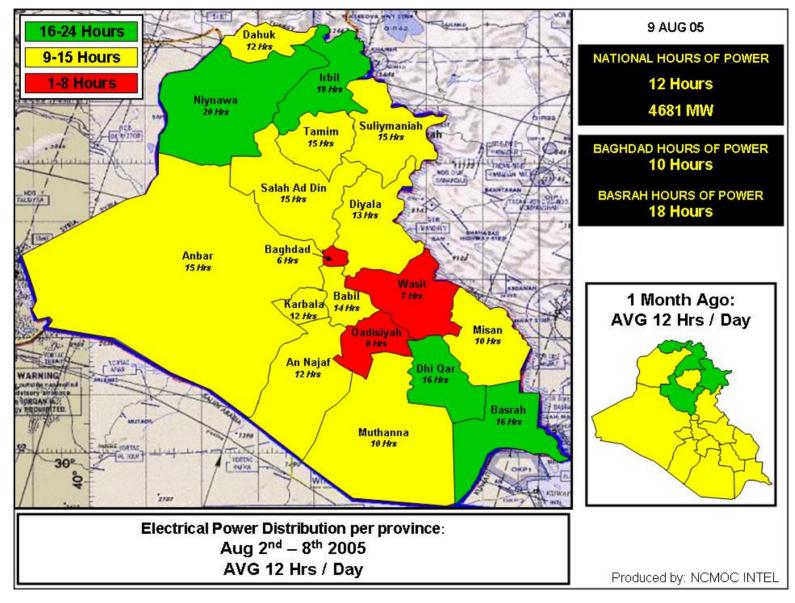


#### Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Average daily electricity service increased in the last week (August 2-8) to 102,900 MWh.
- Average hours of available power rebounded to 10 in Baghdad and 11.6 nationwide by the end of the week.
- Demand continues at record levels.

## [3.0] Provide Essential Services – Iraq's National Hours of Power



## [3.0] Provide Essential Services – Water and Sanitation and



# Telecommunications

# Water and Sanitation:

- The Project and Contracting Office (PCO) has completed 73 water treatment projects to date and has 60 more underway. Under the Accelerated Iraq Reconstruction Program (AIRP), 46 water treatment projects have been completed there are a further 6 under construction.
  - The majority of these projects are awarded directly to local contractors and local water authorities.
- As part of its efforts to increase the hectares of land that are irrigated, the USAID
  Agriculture Reconstruction Development for Iraq (ARDI) has funded the construction of
  five water storage basins, each with the capacity to hold 96 cubic meters of water that
  will be collected from run-off from mountain springs.
- USG and Iraq discussed trans-boundary water issues. USG encouraged direct bilateral talks between Iraq and Turkey and offered technical assistance if requested by both parties.

#### Telecommunications:

- As of August 3, there were 2,961,887 active cellular subscribers in Iraq. Landline telephone subscribers in Iraq have also increased to 997,675. Prior to Operation Iraqi Freedom, there were approximately 833,000 landline subscribers.
- The Wireless Broadband Network, connecting 35 Iraqi government agencies, is now in limited operations.
- DOD is negotiating with Lucent to add up to \$22 million to expand the scope of the Advanced First Responders Network (AFRN). The AFRN is expected to achieve initial operational capability by November.

### [3.0] Provide Essential Services – Health Care



#### **Health Care:**

- Construction is ongoing for 144 new primary health care (PHC) facilities across Iraq.
   Under the AIRP, an additional two PHCs are under construction and nine have been completed.
- The Project and Contracting Office (PCO) is organizing the shipment of 40 vehicles to support a government tuberculosis treatment program. This shipment of vehicles is one of a several transports of medical equipment including cell counters, centrifuges, and radiology medical hardware for the tuberculosis program.
- On August 8, one of the worst sandstorms in history hit Baghdad. The crippling sandstorm packed hospital emergency wards with people, including the Yarmuk hospital which reported more than 800 patients arrived during the morning alone.
- The Ministry of Health (MoH) completed the second round of a national polio campaign and vaccinated all children under five years of age with an oral polio vaccine. Due to lack of security in the Rawa area of the Anbar province, approximately 2,000 children did not receive the vaccine. The MoH expects to conduct a follow-up campaign in this area in the coming weeks.
- This week the Najaf Teaching Hospital received donated medical equipment from the United Kingdom. The Al Shafy Group has been selected for the Phase III construction of the hospital. The pre-construction conference was held August 6, and actual construction activities are scheduled to begin in mid-August.

#### [3.0] Provide Essential Services – Education



#### **Education**:

- A total of 3,218 schools have been rehabilitated to date, and a further 775 are undergoing rehabilitation.
- PCO has completed 656 schools renovations to date and a further 64 are under construction. Under the AIRP, an additional 24 school renovations have been completed.
  - A total of 840 school renovations by PCO are planned.
- Iraqi and US government agencies announced on August 6 that renovations of 43 schools in the northern and southern governorates are funded for repairs, with contracts awarded for the work. These renovations will allow approximately 18,000 Iraqi children to study in newly refurbished schools when the school year starts in about six weeks.
  - Repairs include rehabilitating sanitary facilities, and electrical and mechanical systems, as well as structural repairs to schools in Karbala, Dahuk, Najaf, Basrah and Qadisiyah.
  - Since June 2004, 656 of 800 schools under reconstruction have completed. As part of the Iraq Relief Reconstruction Fund, over \$1.3 million was set aside to continue a nationwide school repair program.

## [3.0] Provide Essential Services – Roads and Housing Construction



#### Roads and Housing Rehabilitation Grants:

- The Ministry of Housing and Construction (MHC) was recently awarded a \$72 million grant in IRRF funds to finance eight road and bridge projects. The projects have been advertised and awarded, and are being managed by the MHC.
  - This will serve to lower the price of the projects by 60-70 percent of the USG estimates, create jobs, and build the capacity with-in the Ministry.
     The projects are proceeding according to the projected timeline.
- The Iraqi Housing Fund was established to provide land-owning Iraqi citizens with small loans of up to \$12,000 loans to build housing. However, the housing situation in Iraq is still serious, with some studies estimating the need for up to two million new units to meet the needs of the Iraqi population.
  - The Fund is seeking to develop both immediate and long-term solutions to the housing crisis. At present, the long-term solution involves plans to create a housing finance facility that lends long-term capital to private banks so that they can make loans to both individuals and to real estate developers for home purchases and housing construction.

## [4.0] Establish Foundation for a Strong Economy —Job Creation



#### Microfinance Program:

• The Iraq Reconstruction Management Office's \$35 million microfinance program has disbursed over 14,000 microfinance loans to small businesses, for a total of \$28 million to date. Loans range from \$500 to \$25,000 (with an average loan of about \$2000); 9 percent of the loans have been made to women.

#### **Employment Update**:

• The following chart shows the number of Iraqis employed by USG-administered projects:

The following chart shows the number	Number of Iraqis	Number of Iraqis	,
Employing Organization	Working Last	Working This	% Change on Week
1 0 0	Week	Week	
PCO (Project and Contracting Office)	29,982	30,918	3.1%
USAID	35,025	34,872	-0.4%
AIRP (Accelerated Iraqi Reconstruction Program)	2,040	2,040	0.0%
MILCON (Military Construction)	461	308	-33.2%
CERP (Commanders' Emergency Response Program)	23,706	23,706	0.0%
MNSTC-I *	7,434	16,682	124.4%
IRRF NON-CONSTRUCTION	11,357	11,357	0.0%
	440.007	440.000	0.00/
GRAND TOTAL	110,005	119,883	9.0%
			9.0%

# [4.0] Establish Foundation for a Strong Economy – Oil Prices and Agriculture



#### Oil Update:

- Crude oil prices in world markets for the week ending August 5 closed with the following prices:
  - Basra Light at \$53.24/barrel
     Dated Brent at \$60.51/barrel
  - Kirkuk Crude at \$54.13/barrel
     WTI Cushing at \$61.60/barrel
  - Oman/Dubai at \$55.23/barrel

#### Poultry Farming:

- In late July, USAID's Agriculture Reconstruction and Development for Iraq (ARDI) program and the Ministry of Agriculture (MOA) completed a survey of 160 privately-owned poultry farms in the Governorates of Erbil, Dahuk, and Sulaymaniyah. The survey concludes that the poultry industry in these Governorates can compete internationally.
  - These farms do not receive any government subsidies and operate with minimal government intervention. Despite their ability to compete internationally, the farms are at less than half of their productive capacity, due to a need for equipment, and the lack of electricity to control the climate of their facilities.
  - A separate survey is currently being conducted in the Baghdad area.

5/11-\$200,000

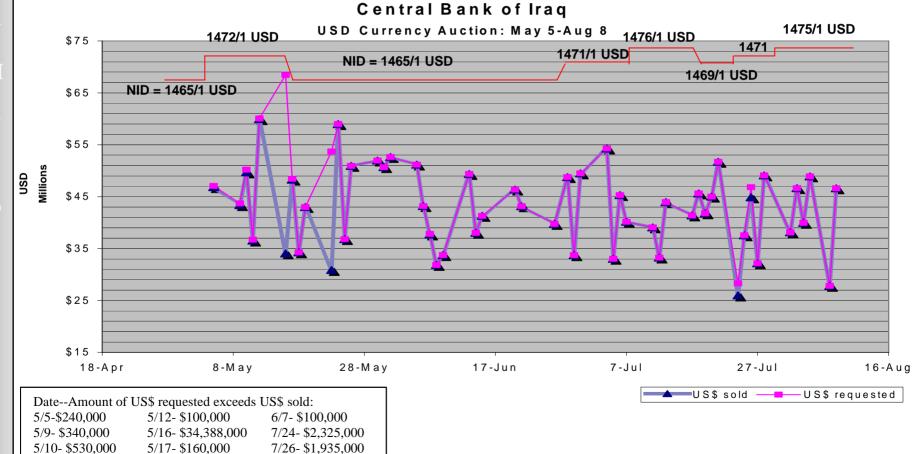
5/23-\$22,836,000

## [4.0] Establish Foundation for a Strong Economy - Banking Sector



#### **Central Bank's USD Currency Auction:**

- The following table shows volume sold/requested and exchange rates for USD in the Iraqi currency auction from May 5 through August 8.
- The settlement price at the currency auction on August 8 was 1,475 dinars per USD. Total amount requested and sold was \$46.62 million.



#### [4.0] Establish Foundation for a Strong Economy



### Iraqi Strategic Review Board (ISRB) Meeting:

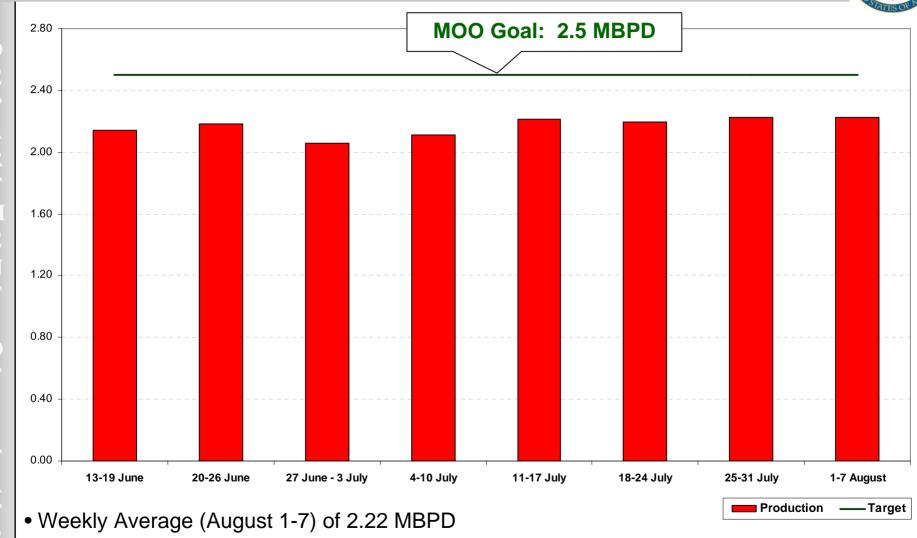
- On August 3, the ISRB reviewed the July 17-19 International Reconstruction Fund Facility for Iraq (IRFFI) conference in Amman. The ISRB is a donor coordination mechanism chaired by Iraqis in cooperation with the Ministry of Planning and Development Cooperation. Originally established in 2003 to approve UN and World Bank Iraq Trust Fund (ITF) projects, it was decided at the IRFFI conference that the ISRB process also include bilateral projects to improve Donor-Iraqi Government coordination and ensure donor projects fall in line with Iraq's national priorities.
- The ISRB approved measures to extend full membership to the United Nations, World Bank, and two donors (on a rotating basis and as consultative members until the law is revised). ISRB also moved to automatically approve any project submitted and not decided upon within two weeks of receipt. In addition, ISRB approved four new projects funded by the UN, DFID, and South Korea's aid agency.

#### Iraqi Stock Exchange:

- On August 8, the Iraqi Stock Exchange (ISX) trading volume was 227.5 million shares with a trading value of NID 1.1 billion (\$749,972).
  - The banking sector comprised the largest volume and value of trading, with trading in shares of six banks accounting for a trading volume of 126,754,563 shares and trading value of NID 656,771,517 (\$445,269).
  - The industry sector comprised the second largest volume of trading. Sixteen companies in this sector accounted for a trading volume of 94,085,971 shares with a trading volume of NID 394,909,164 (\$267,735).

## [4.0] Establish Foundations for a Strong Economy – Crude Oil Production



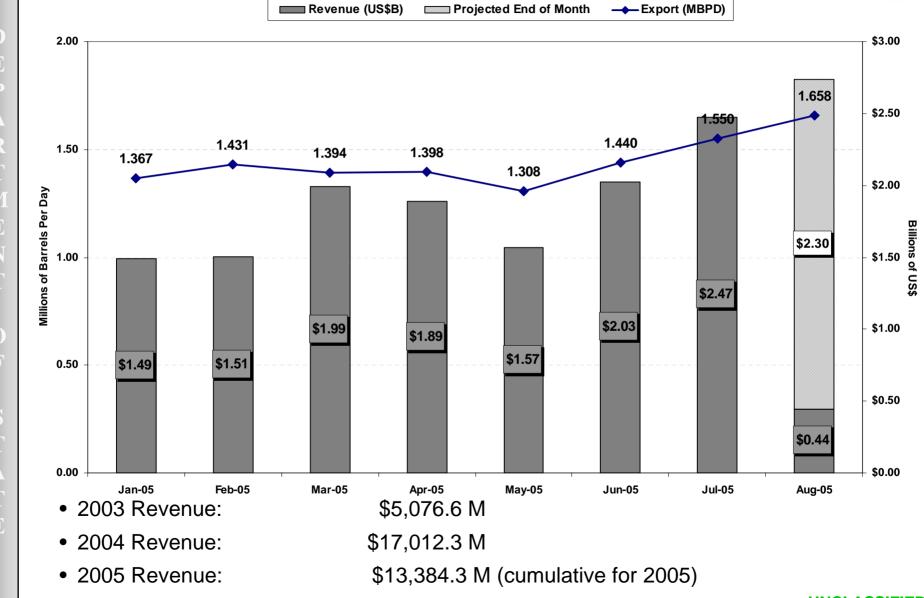


• Post-War Peak: 2.67 MBPD

• Pre-War Peak: 2.5 MBPD in Mar 2003

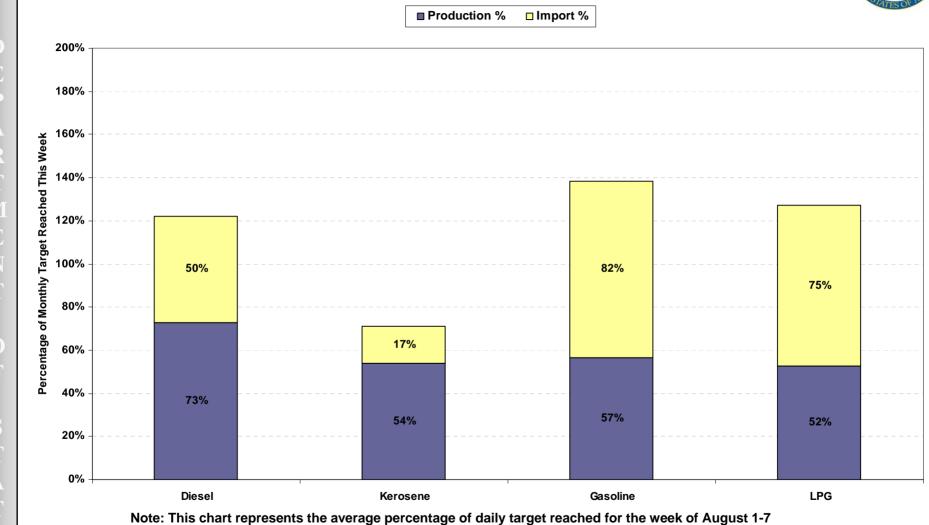
## [4.0] Establish Foundations for a Strong Economy – Crude Oil Export





## [4.0] Establish Foundations for a Strong Economy – Refined Products

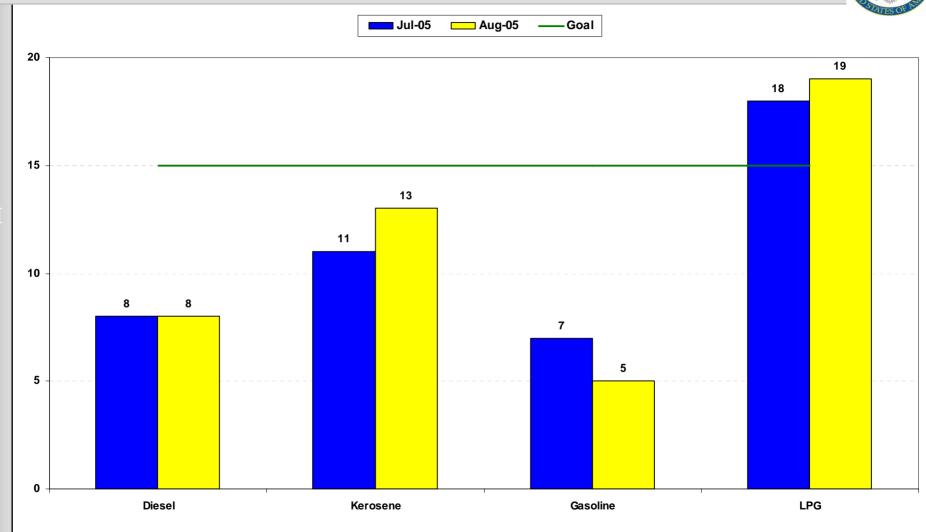




- Diesel: 22.0 ML of 18 ML
- Kerosene: 4.9 ML of 6.9 ML

- Gasoline: 24.9 ML of 18 ML
- LPG: 5,473 tons of 4,300 tons

## [4.0] Establish Foundations for a Strong Economy – National Stock Levels



• The goal is for all refined products to be over 15 days worth of stocks at maximum consumption rates and does not represent seasonal change. The numbers given above are monthly averages.

# [4.0] Establish Foundation for a Strong Economy –Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2

Data as of August 10, 2005

\$Millions	Apporti	oned		Committed	ommitted Obligated		- 6	Disbursed			
Sector	2207 Report	Apportion	Last Veek	Current	Change	Last Veek	Current	Change	Last Veck	Current	Change
Security and Law Enforcement	5,035.6	5,035.6	4,955.2	4,946.6	(8.58)	4,558.8	4,544.4	(14.36)	3,165.4	3,206.3	40.9
Electricity Sector	4,308.2	4,067.7	3,789.2	3,789.2	0.00	2,571.6	2,578.0	6.40	1,384.3	1,405.9	21.5
Oil Infrastructure	1,723.0	1,723.0	1,571.4	1,654.5	83.14	1,174.5	1,210.6	36.09	438.0	444.4	6.4
Justice, Public Safety and Civil Society	1,224.2	1,224.2	1,147.7	1,147.4	(0.33)	978.9	978.8	(0.02)	426.8	443.6	16.9
Democracy	905.4	905.3	887.3	887.3	0.00	866.9	866.9	0.00	476.0	476.0	0.0
Education, Refugees, Human Rights, Governance	363.0	363.0	332.0	332.0	0.00	308.4	314.8	6.32	123.7	127.8	4.1
Roads, Bridges and Construction	355.2	355.2	334.0	333.2	(0.82)	209.1	209.5	0.41	126.0	128.0	2.0
Health Care	786.0	786.0	777.9	777.9	(0.02)	582.5	585.9	3.44	166.0	182.2	16.2
Transportation and Communications	509.0	508.5	483.2	483.2	0.00	386.4	387.8	1.45	122.7	131.4	8.7
Vater Resources and Sanitation	2,156.7	1,819.1	1,757.9	1,794.6	36,67	1,433.2	1,453.3	20.13	279.7	289.8	10.0
Private Sector Development	860.3	840.3	835.9	835.9	0.00	817.8	817.8	0.00	483.7	483.7	0.0
Admin Expense (USAID, STATE)	213.0	213.0	213.0	213.0	0.00	213.0	213.0	0.00	213.0	213.0	0.0
TOTAL	18,439	17,840.9	17,084.8	17,194.8	110.06	14,101.1	14,160.9	59.85	7,405.4	7,532.2	126.7
IRRF 2 Construction		10,409.9	9,909.5	10,024.8	115.33	7,542.2	7,584.3	42.10	3,394.9	3,475.9	81.0
IRRF 2 Non-Construction		6,525.7	6,288.0	6,154.0	(133.98)	5,691.9	5,581.0	(110.96)	3,534.5	3,416.1	(118.4)
IRRF 2 Democracy		905.3	887.3	887.3	0.00	866.9	866.9	0.00	476.0	476.0	0.0
IRRF 1 Subtotal	2,473.3	2,473.3	2,473.3	2,473.3	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 & 2	20,912.8	20,314.2	19,558.1	19,668.1	110.06	16,574.4	16,634.2	59.85	9,812.0	9,938.8	126.7

#### [5.0] Promote the Rule of Law – Iraqi Judicial System



#### Saddam's Family Sacks Foreign Defense Team:

• The family of Saddam Hussein said on August 8 that it had relieved all members of his foreign defense team and would deal only with his Iraqi lawyer. "From today, none of the lawyers, except Iraqi lawyer Khalil Dulaimi, will have the right to act on behalf of Saddam," according to a statement from the family signed by Saddam's daughter Raghad. "They used their position to further interests not linked to the case," the statement said. Saddam is in US physical custody near Baghdad awaiting trial on charges of crimes against humanity.

## [6.0] Maintain Int'l Engagement & Support – Developments



#### **International Support**:

- An affirmative Security Council vote on the necessary resolution to extend the mandate of the UN Mission in Iraq is expected on August 11. UN Secretary General Kofi Annan cited the expanding efforts of UNAMI to help Iraqis meet the benchmarks in their political transition, despite severe operational and security constraints as reasons for the extension. Mr. Annan said UNAMI resumed operations inside Iraq in August of last year and expects to increase staff in the coming months.
- Local officials have described several plans to build/renovate airports near Najaf, including a plan financed largely by a low-interest loan from Iran.
   According to Iraq's transportation minister, Salam Maliki, an international airport would cost an estimated \$20 million to \$25 million, which would largely serve religious pilgrims traveling to and from Iran.
- As a follow up to the Kuwaiti-Iraqi border issue, the Kuwait Energy Minister Sheikh Ahmad Al-Fahad Al-Sabah said on August 5 that the issue had been settled through UN resolutions, which had been accepted by both sides.
- The US, Iraq and Turkey held trilateral talks in Washington on August 6 to discuss future cooperation in the area of law enforcement.

# [6.0] Maintain Int'l Engagement & Support – Contributors to Iraqi Stability Operations

Data as of August 4, 2005

# 27 Multi-National Forces – Iraq (MNF-I) Contributors (in addition to US)

Albania	Denmark	Latvia	Portugal
Armenia	El Salvador	Lithuania	Romania
Australia	Estonia	Macedonia	Slovakia
Azerbaijan	Georgia	Moldova	South Korea
Bosnia-Herzegovina	Italy	Mongolia	Ukraine
Bulgaria	Japan	Norway	UK
Czech Republic	Kazakhstan	Poland	

**TOTAL** ~ 23,000 Forces

\*Note: Fiji participating as a part of the UN mission in Irag.

# **28 Countries and NATO**

(including US)

**Support Iraqi Stability Operations** 

# [7.0] Promote Strategic Communications – Developments



#### **Strategic Communications**:

- In a report on Al-Jazeera, an armed group calling itself Al-Fursan Brigades has showed images of three hostages it said were Turks working with a Turkish company transporting goods for the US forces. The group said that its repeated statements warning against working with US forces have been in vain; therefore, this will be the last warning to companies cooperating with the occupation forces and that what it termed as a just punishment will befall the three men.
- Nearly a quarter of a million Iraqis of all ethnic and religious groups have taken part in meetings to help draft their country's new constitution, despite security challenges and problematic day-to-day living conditions, a preliminary United Nations report issued August 4 said. The highlights included radio and television debates. A conference of 1,500 imams and a forum of non-governmental organizations (NGOs) had distributed questionnaires on federalism, Shari'a law and women's rights. In these venues members of the Constitutional Drafting Committee and the Transitional National Assembly listened to people's views, the report said.

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## [7.0] Promote Strategic Communications – Developments



#### **Strategic Communications**:

- Iraqi female activists have started a political and informative campaign called "More Than One Source." The campaign was announced in a press conference in Washington, DC. The women believe that Islam be considered as one source of the constitution, but not the main source and to retain their share of 25 percent dedicated representation in the Transitional National Assembly (TNA). They said that the constitution should respect all international treaties related to human and women's rights.
- Al Qaeda in Iraq, led by Zarqawi, announced on an internet website that Islam
  must be the only source for the constitution. The statement explained that drafting
  the current drafting of the constitution is blasphemous and all those participating
  are unbelievers.
- In an August 9 ceremony, attended by Ambassador Khalilzad, the US transferred the International Press Center (IPC) to the Iraqi Government Communications Directorate (GCD). During his remarks, the Ambassador reaffirmed US commitment to supporting Iraq's transition to a free and democratic society. "A free and open media is a necessary component of a national compact between the government and the people of Iraq. The IPC will provide the Iraqi media with a platform to tell Iraq's story to the world." Iraqi journalists are building an institutional environment in which the media has access to international resources, and is able to report freely.

# **Iraq Weekly Status – General Information**



• This brief draws from multiple sources. References are cited on the respective pages in the "Notes Page" section (View → Notes Page).

Please forward all questions and/or comments to <u>NEA-I-IPOG-DL@state.gov</u>